

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

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In re: PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.¹

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**SUMMARY SHEET ACCOMPANYING FIRST INTERIM FEE APPLICATION
OF MCKINSEY & COMPANY, INC. WASHINGTON D.C.
AS CONSULTING SERVICES PROVIDER TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF THE
DEBTORS, THE COMMONWEALTH OF PUERTO RICO, ET AL., FOR THE PERIOD
FROM MAY 3, 2017 THROUGH SEPTEMBER 30, 2017**

Name of Applicant: McKinsey & Company, Inc. Washington D.C.
("McKinsey")

Authorized to Provide Services to: The Financial Oversight and Management Board for
Puerto Rico, as Representative of the Debtors
Pursuant to PROMESA Section 315(b)

Period for which compensation
and reimbursement is sought: July 1, 2017 through September 30, 2017

Monthly Fee Statements subject
to first interim fee request: McKinsey's Consolidated First Monthly Fee Statement
for Compensation For Services Rendered
From July 1, 2017 Through September 30, 2017,
dated December 13, 2017

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Total fees requested:	\$5,120,000.00
Total expenses requested:	\$0.00²
Total fees and expenses:	\$5,120,000.00
Total payment requested:	\$5,120,000.00
Total fees and expenses paid to date or subject to an Objection:	\$0.00
Type of Application:	<u>First Interim Fee Application</u>
Deadline for parties other than notice parties to file objections:	January 4, 2018

² McKinsey provides services on a fixed fee basis, and as such, seeks no reimbursement of expenses incurred during the Compensation Period (as defined herein).

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.³

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**FIRST INTERIM FEE APPLICATION
OF MCKINSEY & COMPANY, INC. WASHINGTON D.C.
AS CONSULTING SERVICES PROVIDER TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF THE
DEBTORS, THE COMMONWEALTH OF PUERTO RICO, ET AL., FOR THE PERIOD
FROM MAY 3, 2017 THROUGH SEPTEMBER 30, 2017**

McKinsey & Company, Inc. Washington D.C. (“McKinsey”), strategic consultants to
Debtors in the above-captioned case, respectfully represents:

INTRODUCTION

1. By this first interim fee application (the “First Interim Fee Application”), McKinsey seeks the allowance and payment of compensation for professional services rendered pursuant to the *First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on November 8, 2017 [Docket Number 1715] (the “Interim

³ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Compensation Order”), the applicable provisions of Title 11 of the United States Code (the “Bankruptcy Code”), the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”) and Appendix B of the *U.S. Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330 by Attorneys in Large Chapter 11 Cases Effective as of November 1, 2013* (the “U.S. Trustee Guidelines.” and together with the Interim Compensation Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, the “Code and Rules”). Pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, the Certification of Tyler Duvall, a Partner of McKinsey, regarding compliance with the statutory and legal authority cited above is attached hereto as Exhibit A.

2. By this First Interim Fee Application, McKinsey seeks allowance of compensation for professional services performed by McKinsey for the period from July 1, 2017 through September 30, 2017 (the "Compensation Period") in the aggregate amount of \$5,120,000.00, representing 100% of fees incurred during the Compensation Period. McKinsey submits that allowance and payment of this amount is fully warranted given the actual and necessary services rendered to the Debtors by McKinsey, as described in this First Interim Fee Application. The Debtors have not previously paid any amounts in respect of the foregoing requested fees and expenses.

BACKGROUND AND JURISDICTION

3. On May 3, 2017 (the “Commonwealth’s Petition Date”), the Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Commonwealth’s representative pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), filed a

petition (the “Commonwealth’s Petition”) with the United States District Court for the District of Puerto Rico (the “Court”) under Title III of PROMESA.

4. On May 5, 2017, the Puerto Rico Sales Tax Financing Corporation (“COFINA,” and together with the Commonwealth, the “Debtors”), by and through the Oversight Board, as COFINA’s representative pursuant to PROMESA section 315(b), filed a petition (“COFINA’s Petition,” and together with the Commonwealth’s Petition, the “Petitions”) with the Court under Title III of PROMESA. The filings of the Petitions constitute orders for relief under Title III of PROMESA.
5. On May 9, 2017, the Debtors filed a motion seeking the joint administration of the Title III cases (the “Title III Cases”) for procedural purposes only, pursuant to PROMESA section 304(g) and Bankruptcy Rule 1015, made applicable to these Title III Cases by PROMESA section 310. On June 1, 2017, the Court ordered that the cases be consolidated for procedural purposes and be jointly administered.
6. On June 15, 2017, an Official Committee of Unsecured Creditors and an Official Committee of Retirees was appointed in these Title III case by the United States Trustee for Region 21.
7. On November 8, 2017, the Court entered *the First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (the “Interim Compensation Order”), which directs that professionals in the Title III Cases be paid interim compensation and outlines the procedures by which professionals are to submit, at four-month intervals, “an application for interim Court approval and allowance of the payment of compensation.”
8. This Court has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a). Venue is proper in this district pursuant to PROMESA section 307(a).

THE RETENTION OF MCKINSEY

9. On or about July 3, 2017, McKinsey and the Board entered into a contract setting forth consulting services that McKinsey would provide in support of the Title III litigation (the “Consulting Agreement”).
10. The scope of work under the Consulting Agreement is divided into three (3) distinct workstreams: (i) Title III Support for HTA; (ii) Title III Support for PREPA; and (iii) Commonwealth Title III Support. Attached at Exhibit B is a copy of the Consulting Agreement, which includes the detailed scope of work for each of these three workstreams. Consistent with how McKinsey serves clients and prices its engagements both for the public and private sectors, McKinsey’s fee structure under the Consulting Agreement was constructed on a monthly firm fixed price basis by workstream, as set forth below:

Workstream	Monthly Fee
Title III Support for HTA	\$720,000.00
Title III Support for PREPA	\$740,000.00
Commonwealth Title III Support	\$740,000.00

11. These monthly rates are similar to rates that McKinsey charges for professional services rendered in comparable matters. Such fees are reasonable based on the customary compensation in a competitive market.
12. There is no agreement or understanding between McKinsey and any other nonaffiliated person for the sharing of compensation to be received for services rendered in the Title III Cases.

SUMMARY DESCRIPTION OF SERVICES PERFORMED

13. Set forth below is a brief summary of the principal matters on which McKinsey provided services during the Compensation Period. The summary is not intended to be a detailed description of all of the work performed during the Compensation Period. The complete details setting forth the day-to-day services provided by McKinsey professionals is included in McKinsey's Consolidated First Monthly Fee Statement for Compensation For Services Rendered from July 1, 2017 through September 30, 2017 (the "First Monthly Fee Statement"), attached hereto as Exhibit C. A summary of professionals who rendered services during the Compensation Period is attached hereto as Exhibit D.

Title III Support for HTA

July 2017:

The scope of services and deliverables related to HTA in Title III in July 2017 involved coordinating and providing analysis related to development of the transformation plan and plan of arrangement for HTA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas:

- Established the HTA Working Group for Title III, including working group protocol, governance, cadence, targets and coordination;
- Led HTA Working Group for Title III, including leading meetings on July 12, 2017 and July 25, 2017 25th, develop core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors;
- Developed the HTA Transformation Plan for Title III, including by developing analysis and presentation pages for inclusion into the HTA Transformation Plan Outline and Plan;
- Prepared and delivered regular progress reviews and reports for Board management and Board HTA subcommittee to provide updates, take guidance and support evaluation and progress of HTA Transformation Plan and Title III, including action and resource plans,

synopsis of perspectives related to different potential options, and various supporting analyses;

- Escalated deviations from plans and define solutions for compliance;
- Supported litigation related to the HTA proceedings, including by developing mediation and litigation presentations and testimony related to HTA; and
- Provided expert testimony in court proceedings.

August 2017:

The scope of services and deliverables related to HTA in Title III in August 2017 was to coordinate and provide analysis related to development of the transformation plan and plan of arrangement for HTA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas:

- Led HTA Working Group for Title III, including leading meetings on August 1, 2017, August 11, 2017, August 24, 2017 and August 28, 2017, developing core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors;
- Further developed the HTA Transformation Plan for Title III, including additional analyses and presentation pages for inclusion into the HTA Transformation Plan Outline and Plan;
- Prepared and delivered regular progress reviews and reports for Board management and Board HTA subcommittee to provide updates, take guidance and support evaluation and progress of HTA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses;
- Supported litigation related to the HTA proceedings;
- Developed materials for Board mediation sessions and Board meetings or conferences; and
- Participated in and/or assisted the Board with mediation sessions on HTA in August in New York City and Board meetings, including presentations as necessary.

September 2017:

The scope of services and deliverables related to HTA in Title III in September 2017 was to coordinate and provide analysis related to development of the transformation plan and plan of arrangement for HTA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas:

- Led HTA Working Group for Title III, including leading meeting on September 13, 2017, developing core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors;
- Further developed the HTA Transformation Plan for Title III, including additional analyses and presentation pages for inclusion into the HTA Transformation Plan Outline and Plan;
- Prepared and delivered regular progress reviews and reports for Board management and Board HTA subcommittee to provide updates, take guidance and support evaluation and progress of HTA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses; and
- Provided support at related stakeholder interactions, including but not limited to presentations related to impact of Hurricane Maria.

Title III Support for PREPA

August 2017:

The scope of services and deliverables related to PREPA in Title III in August 2017 involved coordinating and providing analysis related to development of the transformation plan and plan of arrangement for PREPA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas:

- Established the PREPA Working Group for Title III, including working group protocol, governance, cadence, targets and coordination;
- Led PREPA Working Group for Title III, including leading full working group meeting on August 10, 2017, developing core materials, workplans, agendas and coordination with PREPA, AAFAF and its experts and advisors;
- Developed the PREPA Transformation Plan for Title III, including by developing analysis and presentation pages for inclusion into the PREPA Transformation Plan Outline and Plan;
- Prepared and delivered regular progress reviews and reports for Board management and Board PREPA subcommittee to provide updates, take guidance and support evaluation and progress of PREPA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses;
- Developed presentation for August Board mediation session and Board meetings or conferences; and

- Provided support at related stakeholder interactions, including but not limited to preparing ad-hoc presentations.

September 2017:

The scope of services and deliverables related to PREPA in Title III in September 2017 was to coordinate and provide analysis related to development of the transformation plan and plan of arrangement for PREPA, including developing recommended revisions to the draft transformation plan submitted by the government. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas:

- Led PREPA Working Group for Title III, including preparing for meetings (September 22, 2017, scheduled but cancelled due to hurricane Maria), developing core materials, workplans, agendas and coordination with PREPA, AAFAF and its experts and advisors;
- Continued developing the PREPA Transformation Plan for Title III, including by developing additional analysis and presentation pages for inclusion into the PREPA Transformation Plan Outline and Plan;
- Prepared and delivered regular progress reviews and reports for Board management and Board PREPA subcommittee to provide updates, take guidance and support evaluation and progress of PREPA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses;
- Provided support at related stakeholder interactions, including but not limited to presentations related to impact of Hurricane Maria; and
- Supported Board in proposal to appoint CTO at PREPA and workplan supporting role.

Commonwealth Title III Support

August 2017:

In August 2017, the Commonwealth III team supported the FOMB across the following efforts:

- Preparation for and attendance at the Public Board Meeting on August 4, 2017;
- Participation in and coordination of cross advisor meetings regarding Title III matters;

- Preparation of materials and participation in full-day working session with mediation team, FOMB board members and other advisors on August 14, 2017;
- Participation in deep dives session with the mediation team advisors related to the Fiscal Plan;
- Preparation of materials, organization of and leadership of the 3-day creditor mediation meeting on August 29-31, 2017;
- Collection of data and preparation of draft responses to certain mediation questions;
- Assembly of data and participation in meetings with FOMB counsel and other advisors related to Fiscal Plan defense and other Title III litigation matters;
- Participation in several cross-advisor meetings to assess liquidity performance and preparation of various ad-hoc analyses; and
- Preparation and delivery of regular progress reviews and reports regarding Commonwealth liquidity performance, strategic choices on liquidity reporting and various other ad-hoc analyses.

September 2017:

In September 2017, the Commonwealth III team supported the FOMB across the following efforts:

- Participation in and coordination of cross advisor meetings regarding Title III matters;
- Preparation of materials and participation in fiscal macro-economic assumptions mediation session on September 13, 2017;
- Collection of data, preparation and coordination of collection of responses to follow-up Creditor questions from August 29-31, 2017 mediation session;
- Assembly of data and preparation of analyses related to Fiscal Plan defense and other Title III litigation matters;
- Review and development of inputs for fiscal plan scenario analyses requested by Counsel and prepared by other FOMB advisors;
- Development of preliminary draft of post-hurricane liquidity needs assessment for the Commonwealth at the request of the FOMB;

- Participation in several cross-advisor meetings to assess on-going liquidity performance and preparation various ad-hoc analyses; and
- Preparation and delivery of regular progress reviews and reports regarding Commonwealth liquidity performance, strategic choices on liquidity reporting and various other ad-hoc analyses.

REQUESTED COMPENSATION

14. Pursuant to the Interim Compensation Order, on December 13, 2017, McKinsey served on the Notice Parties (as defined therein) the First Monthly Fee Statement for services rendered from July 1, 2017 Through September 30, 2017.
15. Included in McKinsey's First Monthly Fee Statement are (i) a copy of the Consulting Agreement; (ii) copies of McKinsey's monthly invoices for fees incurred during the Compensation Period pursuant to the Consulting Agreement; and (iii) a schedule that sets forth information with respect to the professional services that McKinsey rendered to the Board during the applicable fee period.
16. As reflected in the First Monthly Fee Statement, McKinsey incurred \$5,120,000.00 in fees during the Compensation Period, and now seeks payment of 100% of such fees in accordance with the Interim Compensation Order.
17. All services performed by McKinsey for which fees are requested herein were performed or incurred for and on behalf of the Debtors and were not for any other person or entity.

REQUESTED COMPENSATION SHOULD BE ALLOWED

18. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. Section 330 of the Bankruptcy Code provides that a court may award a

professional "reasonable compensation for actual necessary services rendered ... and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded ..., the court should consider the nature, the extent, and the value of such services, taking into account all relevant factors, including-

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title 11 U.S.C. § 330(a)(3).

19. As demonstrated by this First Interim Fee Application and the exhibits attached hereto, the services that McKinsey rendered were reasonable, necessary and appropriate. McKinsey expended its time economically and without unnecessary duplication of effort. In addition, the work conducted was carefully assigned to appropriate professionals, according to the experience and level of knowledge required for each particular task. Accordingly, approval of the compensation sought herein is warranted.

CONCLUSION

WHEREFORE, McKinsey respectfully requests that the Court enter an order (i) awarding McKinsey an interim allowance of compensation for the Compensation Period in the amount of \$5,120,000.00, (ii) authorizing and directing the Debtors to pay McKinsey the total amount of such interim fees, and (iii) granting such other relief as this Court deems just and proper

Dated: December 15, 2017
Washington DC

McKinsey & Company, Inc. Washington DC

s/Tyler Duvall
Tyler Duvall, Partner
McKinsey & Company, Inc. Washington DC
1200 19th Street NW Suite 1100
Washington DC 20036
Telephone: (202) 662 0078
Email: tyler_duvall@mckinsey.com

Strategic Consultant to the Debtors

Certificate of Service

1. Notice of this First Interim Fee Application has been or will be provided by overnight delivery

to:

FOMB:

Financial Oversight and Management Board
40 Washington Square South
Office 314A
New York, NY 10012
Attn: Professor Arthur J. Gonzalez
FOMB Board Member

Co-Counsel for FOMB:

Proskauer Rose LLP,
Eleven Times Square
New York, NY 10036
Attn: Martin J. Bienenstock, Esq. and Ehud Barak, Esq.
And
Proskauer Rose LLP
70 West Madison Street, Chicago, IL 60602
Attn: Paul V. Possinger, Esq.

Co-Counsel for FOMB:

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Attn: Hermann D. Bauer, Esq.

Counsel for AAFAF:

O'Melveny & Myers LLP,
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Attn: John J. Rapisardi, Esq.
Suzanne Uhland, Esq.
Diana M. Perez, Esq.

Office of United States Trustee:

Office of the United States Trustee for the District of Puerto Rico
Edificio Ochoa, 500 Tanca Street
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(In re: Commonwealth of Puerto Rico)

Co-Counsel for the Official Committee of Unsecured Creditors:

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Andrew V. Tenzer, Esq.

Michael E. Comerford, Esq.

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and

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Attn: Juan J. Casillas Ayala, Esq.

Diana M. Battle-Barasorda, Esq.

Alberto J. E. Añeses Negrón, Esq.

Ericka C. Montull-Novoa, Esq.

Co-Counsel for the Official Committee of Retired Employees:

Jenner & Block LLP

919 Third Ave.

New York, NY 10022-3908

Attn.: Robert Gordon, Esq.

Richard Levin, Esq.

and

Bennazar, Garcia & Millian, C.S.P.

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Avenida Ponce de Leon #416

Halto Rey, San Juan

Puerto Rico 00918

Attn.: A.J. Bennazar- Zequeira, Esq.

Fee Examiner

Brady Williamson

One East Main Street

Suite 500

Madison, WI 53703-3300

EXHIBIT A

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.

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**CERTIFICATION OF TYLER DUVALL IN SUPPORT OF FIRST INTERIM FEE
APPLICATION OF MCKINSEY & COMPANY, INC. WASHINGTON D.C.
AS CONSULTING SERVICES PROVIDER TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF THE
DEBTORS, THE COMMONWEALTH OF PUERTO RICO, ET AL., FOR THE PERIOD
FROM MAY 3, 2017 THROUGH SEPTEMBER 30, 2017**

I, Tyler Duvall, certify as follows:

1. I am a Partner in the firm of McKinsey & Company, Inc. Washington DC ("McKinsey"). I submit this certification with respect to the first interim fee application of McKinsey as consulting services provider in the above-captioned case (the "First Interim Fee Application") for the allowance of compensation for professional services rendered during the relevant application period.
2. I make this certification in accordance with the *First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on November 8, 2017 [Docket Number 1715] (the "Interim Compensation Order").
3. In connection therewith, I hereby certify that:
 - (a) I have read the First Interim Fee Application;
 - (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the fees sought in the First Interim Fee Application are in substantial compliance with the Interim Compensation Order and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996; and

- (c) The Debtors, the United States Trustee, the official committee of unsecured creditors and the official committee of retirees of the Debtors have been provided with a copy of the First Interim Fee Application simultaneously with the filing thereof, and will have at least 10 days to review such First Interim Fee Application prior to any objection deadline with respect thereto.

Dated: December 15, 2017
Washington DC

s/Tyler Duvall
Tyler Duvall, Partner
McKinsey & Company, Inc. Washington DC
1200 19th Street NW Suite 1100
Washington DC 20036
Telephone: (202) 662 0078
Email: tyler_duvall@mckinsey.com

EXHIBIT B

PROPRIETARY and CONFIDENTIAL

CONSULTING AGREEMENT

McKinsey & Company, Inc. Washington D.C. ("McKinsey") and The Financial Oversight and Management Board for Puerto Rico (the "Board" or the "Client") hereby enter into the following terms effective July 3, 2017 in connection with consulting services that McKinsey provides to Client for Strategic Consulting support related to the Title III Litigation(the "Services").

1. SERVICES. The working arrangements, including scope of the Services and Deliverables (as defined below) will be described in each mutually-executed Scope of Work, attached hereto as individual Attachments and incorporated herein, and cannot be materially amended without mutual agreement of the Parties. In order to be able to complete the Services within the agreed timeframe and budget and to fulfill its responsibilities on a timely basis, McKinsey will rely on the Client's timely cooperation, including the Client and the Government of Puerto Rico's making available relevant data, information and personnel, performing any tasks or responsibilities assigned to the Client or the Government of Puerto Rico and notifying McKinsey of any issues or concerns the Client may have relating to the Services. The Client is solely responsible for ensuring that the Government of Puerto Rico cooperates with responding to requests for purposes of the Services. The parties will meet at mutually agreed times to discuss the progress of the Services and to exchange feedback. During the course of the Services, priorities may shift or unexpected events may occur which may necessitate changes to the Services. In this event, the parties will jointly discuss the anticipated impact on the Services and agree on any appropriate adjustments, including to the scope of work, timeframe and budget.

2. COMPENSATION. The Client shall compensate McKinsey on a Firm Fixed Price basis in connection with the Services, as set forth in the Attachments. Any payments made by the Board to McKinsey hereunder are expressed net of any deductions or withholdings that may be applicable in respect of taxes, duties or levies and the Client will pay those amounts to McKinsey, in cleared funds. The parties agree that McKinsey is solely responsible for any applicable withholding and payment of taxes with respect to McKinsey Personnel as required by law. Neither party undertakes, pursuant to his Agreement or otherwise, to perform or discharge any liability or obligation of the other party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Consistent with the public purpose of the Client's mandate, this Agreement will be made publicly available subject to Section 5 below. McKinsey will invoice the Client for Deliverables in connection with the Services monthly or as otherwise set forth in the applicable Proposal. Except for Services provided under retainer, all invoices are to be paid in accordance with the court order setting procedures for interim compensation and reimbursement of professionals.

3. CONFIDENTIALITY. Subject to applicable public disclosure laws and the disclosure procedures established by Client that do not otherwise conflict with terms in this agreement, each Party agrees to keep confidential any confidential information furnished by either Party in connection with the Services ("Confidential Information"); provided, however, that the Client may disclose Confidential Information from McKinsey as necessary or desirable to carry out its statutory duties. The Client agrees to provide McKinsey prior notice of its intent to disclose Confidential Information from McKinsey. Without the Client's explicit consent, McKinsey will disclose Confidential Information only to its employees, agents and contractors who have a need to know and are bound to keep it confidential and will use Confidential Information only for purposes of performing the Services. Confidential Information shall be all information other than information that is (i) or becomes publicly available other than as a result of a breach of this agreement, (ii) already known to the Receiving Party, (iii) independently acquired or developed by the Receiving Party without violating any of its obligations under this agreement, or (iv) is legally required to be disclosed. All documents supplied by the Receiving Party Client in connection with the services hereunder will, upon written request, be returned by the Receiving Party to the Disclosing Party or destroyed, provided that the Receiving Party may retain a copy for archival purposes. In performing the Services, McKinsey will use and rely primarily on the Confidential Information and on information available from public sources without having independently verified the same and does not assume responsibility for the accuracy or completeness of the Confidential Information or such other publicly available information and Section 5 herein.

4. INTELLECTUAL PROPERTY. Upon payment in full of McKinsey's Fees associated with the relevant Services, the Client will own all reports, financial models and other deliverables prepared for and furnished to the Client by McKinsey in connection with the Services (the "Deliverables"), save that McKinsey retains ownership of all concepts, know-how, tools, frameworks, models, and industry perspectives developed or enhanced outside of or in connection with the Services (the "McKinsey Tools"), it being understood that none of the McKinsey Tools will contain the Client's

Confidential Information. To the extent the Deliverables include any McKinsey Tools, McKinsey hereby grants the Client a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free license to use and copy the McKinsey Tools solely as part of the Deliverables and subject to the limitations herein on disclosure of McKinsey materials and publicity.

5. DISCLOSURE OF MCKINSEY MATERIALS; PUBLICITY. McKinsey's work for the Client is confidential and for the Client's internal use only; provided, however, the Client may disclose such work to the extent such disclosure is necessary or desirable to carrying out the Client's statutory duties. The Client agrees that it will not disclose McKinsey's name in relation to any disclosure of work hereunder without McKinsey's consent. McKinsey will not disclose the Deliverables to any third parties (including any non-voting Board members) without the Client's prior written permission. McKinsey further agrees not to use the Client's name in any communication with any third party without the other party's prior written permission, including in press releases or other public announcements. If the Client receives a public records request for Deliverables or other documents containing McKinsey information, the Client will allow McKinsey the ability to review the documents prior to disclosure to advise if the documents contain information subject to an exception or exemption to the relevant public records law.

6. SERVING COMPETITORS. It is McKinsey's long-standing policy to serve competing clients and clients with potentially conflicting interests as well as counter-parties in merger, acquisition and alliance opportunities, and to do so without compromising McKinsey's professional responsibility to maintain the confidentiality of client information. Consistent with such practice and McKinsey's confidentiality obligations to its other clients, McKinsey is not able to advise or consult with the Client about McKinsey's serving the Client's competitors or other parties. To avoid situations of potential conflict, McKinsey will not, for a period of one year following an engagement for the Client, assign any consultant who receives Confidential Information in connection with such engagement to a competitively sensitive project, including a directly-conflicting engagement with the Government of Puerto Rico. Notwithstanding the foregoing, the Client understands and agrees that so long as McKinsey has appropriate procedures in place to mitigate any potential conflict, it may serve the Government of Puerto Rico on related matters.

7. INDEMNIFICATION.

(a) Deliverables produced hereunder are not intended as a substitute for financial, investment, legal, accounting or other professional advice, and McKinsey does not intend to supplant the Client or the Government of Puerto Rico's management or other decision-making bodies.

(b) The Client and the Government of Puerto Rico remain solely responsible for its decisions, actions, use of the Deliverables and compliance with applicable laws, rules and regulations. McKinsey agrees to indemnify and hold the Client harmless from and against all loss, liability, damage, cost, or expense (including reasonable attorney fees) ("Losses") to the extent those Losses are determined by a final, non-appealable order or arbitral award to have resulted from McKinsey's gross negligence or willful misconduct in the performance of the Services.

(c) The Client agrees to indemnify and hold McKinsey harmless from any Losses (including the costs of McKinsey's professional time) relating to the Services (including any Losses asserted by the Client, its agents or representatives, or third parties and any Losses sustained by McKinsey when participating in any legal, regulatory, or administrative proceeding relating to the Services), except to the extent those Losses are determined by a final, non-appealable order or arbitral award to have resulted from McKinsey's gross negligence or willful misconduct in the performance of the Services.

(d) The Client further indemnifies McKinsey, including any member, officer or employee thereof including but not limited to the Revitalization Coordination role, in any instance where it is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with such action, suit or proceeding, unless it acted with bad faith or engaged in intentional misconduct and, with respect to any criminal action or proceeding, unless it knew or should have known the conduct was unlawful. The termination of any act, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that McKinsey (or any of its members, officers or employees) did not satisfy these standards.

Neither party will be liable for any lost profits or other indirect, consequential, incidental, punitive or special damages. In no event shall McKinsey's liability to the Client in connection with the Services relating to an engagement for the Client exceed the amount paid to McKinsey by the Client in connection with such engagement.

8. AUTHORITY OF THE BOARD. The Client represents and warrants it has the authority to enter into this Agreement for the Services. In the event that it is determined that the Client did not have authority to authorize all or part of this agreement, McKinsey may make the sole determination as to whether to terminate the Agreement according to Section 10 herein, or continue with those parts of the Services for which the Client does have authority. The Client agrees to indemnify and hold McKinsey harmless from any Losses (including the costs of McKinsey's professional time) resulting from a breach of this Section 8 and/or a misrepresentation by the Client of authority to act (including any Losses asserted by the Client, its agents or representatives, or third parties and any Losses sustained by McKinsey when participating in any legal, regulatory, or administrative proceeding relating to the Services).

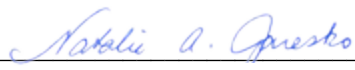
9. CONFLICTS OF INTEREST. The Client agrees that performance of Services hereunder shall not conflict McKinsey from serving the Government of Puerto Rico or any stakeholders to the work, subject to the restrictions in Section 6 – "Serving Competitors."

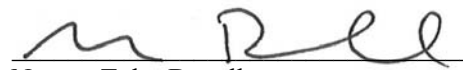
10. TERM AND TERMINATION. This agreement takes effect on the date the Services commenced and shall continue until terminated in accordance with its terms. Either party may terminate the Services at any time effective upon 30 days written notice to the other. In the event of any termination, the Client will pay McKinsey for the work completed up to the effective date of termination.

11. MISCELLANEOUS. This agreement and the Proposals constitute the entire agreement between the parties, and there are no prior or contemporaneous oral or written representations, understandings or agreements relating to this subject matter that are not fully expressed herein or therein. This agreement and the Proposals shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles and shall inure to the benefit of and be binding on the successors and assigns of the Client and McKinsey. The following Sections shall survive the completion or any termination of the Services: 3 (Confidentiality), 4 (Intellectual Property), 5 (Disclosure of McKinsey Materials; Publicity), 6 (Serving Competitors), 7 (Indemnification), 8 (Term and Termination) and 9 (Miscellaneous) and any other provision which by law or by its nature should survive. Neither party may assign its rights or obligations under this agreement to any person or entity without the written consent of the other party, not to be unreasonably withheld, provided, however, that either party may assign its rights and obligations under this agreement to its affiliates upon reasonable written notice to the other party but without the written consent of the other party. Assignment shall not relieve either party of its obligations hereunder. McKinsey is an independent contractor and not the Client's agent or fiduciary. Notwithstanding any course of dealings of the parties at any time or any statement to the contrary contained therein, no purchase order, invoice or other similar document issued by a party shall be construed to modify the terms of this agreement. Rights and remedies provided in this agreement are cumulative and not exclusive of any right or remedy provided at law or in equity.

The Financial Oversight and Management Board for Puerto Rico
(Client)

McKinsey & Company, Inc., Washington D.C.


Name: Natalie A. Jaresko
Title: Executive Director
Date: Sept. 12, 2017


Name: Tyler Duvall
Title: Partner
Date: September 8, 2017

ATTACHMENT 1
Scope of Work
For
Commonwealth Title III Support

Services:

In regards to support for the Commonwealth Title III proceedings to the Board to include:

Activities:

- Participation in and coordination of cross advisor meetings (Board, Commonwealth and/or Stakeholders) regarding Title III related matters
- Preparation of materials necessary for supporting Fiscal Plan litigation, which could include:
 - Assemble fact base regarding process for creation, stress testing and certification of the fiscal plan
 - Assemble fact base regarding additional analyses created for the FOMB with respect to evaluating/stress testing the FY18 fiscal plan
 - Collect and summarize key input sources and supporting analysis for key fiscal plan assumptions
 - Assemble fact base regarding process and supporting analysis used to identify and evaluate key measures proposed and finally included in the fiscal plan
 - Prepare and/or evaluate alternative fiscal plan scenario analyses in support of requested alternative contexts
 - Prepare analyses in support of litigation activities
- As needed, ad-hoc analyses and/or responses to questions regarding litigation or potential litigation relating to the Fiscal Plan or other Commonwealth Title III matters
- As applicable to McKinsey's Services regarding FOMB fiscal plans and work relative to the Commonwealth and its instrumentalities, it is the expectation of McKinsey and the Board that as part of the Services McKinsey shall:
 - Provide expert testimony (at most 2 per quarter)
 - Participate in and/or assist the Board with mediation sessions and Board meetings or conferences, which may include presentations
 - Provide support at related stakeholder interactions, which may include presentations

Deliverable:

- Monthly report regarding liquidity performance and strategic choices on liquidity related to Title III proceedings and/or ad hoc analysis performed within that month.

Support Structure and Cost:

- The cost for this work will be \$740,000 per month and will continue so long as the Commonwealth Title III process continues or the Board no longer believes the support is necessary.
- If additional deliverables are required by McKinsey beyond this core support this contract will be amended to reflect any required support.

Payment Schedule

McKinsey will submit a Monthly Fee Statement for the deliverables provided on or before the 25th day of each calendar month.

ATTACHMENT 2
Scope of Work
for
Title III Support for PREPA

Services:

In regards to work specifically supporting the Title III proceedings for the Board with relation to PREPA, McKinsey will support the Board in the following ways:

1. Coordinate and provide analysis related to development of the transformation plan and plan of arrangement for PREPA

Activities:

The core activities include working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Establishment of the PREPA working group for Title III, including working group protocol, governance, cadence, targets and coordination
- Lead PREPA working group for Title III, including leading meetings, developing core materials, workplans, agendas and coordination with PREPA, AAFAF and its experts and advisors
- Develop transformation plan for PREPA for Title III which includes but is not limited to:
 - Operational stabilization plans focused on near and immediate term actions to maintain sustainable operations and launch capex programs with specific implementation plans, resourcing and costing supporting their delivery
 - Debt restructuring terms and plans, agreed with creditors to the extent possible
 - Detailed privatization/corporatization plans supported by financial models and market engagement
 - Detailed action plans to implement all measures identified in the Fiscal Plans with additional measures to achieve Board targets
 - Governance and management plans that will enable delivery of actions
 - Stakeholder management plans and demonstrable success in engaging key stakeholders such as regulators
 - Macro-resource planning when required (e.g. updated IRP for PREPA)
 - Clear assessments of economic and social impacts on the people of Puerto Rico
 - Clear timelines for delivery of the plan
- Coordinate development of and approval by the Board of other submissions related to the Title III proceedings, including Plans of Arrangements, financial disclosure, implementation plans, contract assumption and rejection
- Work with Board management and Board PREPA subcommittee to provide updates and take guidance on PREPA transformation and Title III
- Monitor implementation of all aspects of the PREPA transformation plans and Title III plans
- Escalating deviations from plans and defining solutions for compliance

- Conduct limited market engagement as necessary to identify potential privatization options for PREPA
- Lead development of an integrated resource plan for PREPA to support the Transformation Plan in coordination with PREC and PREPA
- As applicable to McKinsey's Services regarding FOMB fiscal plans and work relative to the Commonwealth and its instrumentalities, it is the expectation of McKinsey and the Board that as part of the Services McKinsey shall:
 - Provide expert testimony (at most 2 per quarter)
 - Participate in and/or assist the Board with mediation sessions and Board meetings or conferences, which may include presentations
 - Provide support at related stakeholder interactions, which may include presentations

Deliverables:

A monthly report describing progress against transformation objectives, as well as specific supporting analyses, including:

- Detailed action plans, including e.g. structural solutions, governance, likely economic impacts and operational stabilization
- Synopsis of market perspectives related to different potential options
- Integrated resource plan

Support Structure and Cost:

- The cost for this work will be \$740,000 per month and will continue so long as the Title III process continues or the Board no longer believes the support is necessary.
- If additional deliverables are required by McKinsey beyond this core support this contract will be amended to reflect any required support.

Payment Schedule

McKinsey will submit a Monthly Fee Statement for the deliverables provided on or before the 25th day of each calendar month.

ATTACHMENT 2
Scope of Work
for
Title III Support for HTA

Services:

In regards to work specifically supporting the Title III proceedings for the Board with relation to HTA, McKinsey will support the Board in the following ways:

Coordinate and provide analysis related to development of the transformation plan and plan of arrangement for HTA

Activities:

The core activities include working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Establishment of the HTA working group for Title III, including working group protocol, governance, cadence, targets and coordination
- Lead HTA working group for Title III, including leading meetings, developing core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors
- Develop transformation plan for HTA for Title III which includes but is not limited to:
 - Operational stabilization plans focused on near and immediate term actions to maintain sustainable operations and launch capex programs with specific implementation plans, resourcing and costing supporting their delivery
 - Debt restructuring terms and plans, agreed with creditors to the extent possible
 - Detailed privatization/corporatization plans supported by financial models and market engagement
 - Action plans to implement all measures identified in the Fiscal Plans with additional measures to achieve Board targets
 - Governance and management plans that will enable delivery of actions
 - Stakeholder management plans and demonstrable success in engaging key stakeholders such as regulators
 - Macro-resource planning when required
 - Clear assessments of economic and social impacts on the people of Puerto Rico
 - Clear timelines for delivery of the plan
- Coordinate development of and approval by the Board of other submissions related to the Title III proceedings, including Plans of Arrangements, financial disclosure, implementation plans, contract assumption and rejection
- Work with Board management and Board HTA subcommittee to provide updates and take guidance on HTA transformation and Title III
- Monitor implementation of all aspects of the HTA transformation plans and Title III plans
- Escalating deviations from plans and defining solutions for compliance
- Support litigation related to the HTA proceedings, which has commenced

- As applicable to McKinsey's Services regarding FOMB fiscal plans and work relative to the Commonwealth and its instrumentalities, it is the expectation of McKinsey and the Board that as part of the Services McKinsey shall:
 - Provide expert testimony (at most 2 per quarter)
 - Participate in and/or assist the Board with mediation sessions and Board meetings or conferences, which may include presentations
 - Provide support at related stakeholder interactions, which may include presentations

Deliverables:

A monthly report describing progress against transformation objectives, as well as specific supporting analyses, including:

- Detailed action plans, including e.g. structural solutions, governance, likely economic impacts and operational stabilization
- Synopsis of market perspectives related to different potential options
- Integrated resource plan

Support Structure and Cost:

- The cost for this work will be \$720,000 per month and will continue so long as the HTA Title III process continues or the Board no longer believes the support is necessary.
- If additional deliverables are required by McKinsey beyond this core support, this contract will be amended to reflect any required support.

Payment Schedule

McKinsey will submit a Monthly Fee Statement for the deliverables provided on or before the 25th day of each calendar month.

EXHIBIT C

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.¹

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**CONSOLIDATED FIRST MONTHLY FEE STATEMENT OF
MCKINSEY & COMPANY, INC. WASHINGTON D.C. FOR COMPENSATION FOR
SERVICES RENDERED FROM JULY 1, 2017 THROUGH SEPTEMBER 30, 2017**

Name of Professional: McKinsey & Company, Inc. Washington D.C.
("McKinsey")

Authorized to Provide Services to: The Financial Oversight and Management Board for
Puerto Rico, as Representative of the Debtors
Pursuant to PROMESA Section 315(b)

Period for which compensation
and reimbursement is sought: July 1, 2017 through September 30, 2017

Amount of compensation sought
as actual, reasonable and necessary: \$5,120,000.00

Amount of expense reimbursement sought
as actual, reasonable and necessary²: \$0.00

Type of Fee Statement: Consolidated First Monthly Fee Statement³

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² McKinsey is providing services on a fixed fee basis, and as such, seeks no reimbursement of expenses during the Fee Period (as defined herein).

³ Notice of this First Monthly Fee Statement (as defined herein) has been served in accordance with the Interim Compensation Order (as defined herein) and objections to payment of the amounts described in this First Monthly Fee Statement shall be addressed in accordance with the Interim Compensation Order

Pursuant to the *First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on November 8, 2017 [Docket Number 1715] (the “Interim Compensation Order”), the applicable provisions of the United States Code (the “Bankruptcy Code”), the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), McKinsey & Company, Inc. Washington D.C. (“McKinsey”), strategic consultants to The Financial Oversight And Management Board For Puerto Rico (the “Debtors” or the “Board”), hereby serves this consolidated first Monthly Fee Statement (the “First Monthly Fee Statement”) for the allowance of compensation for reasonable and necessary strategic consulting services and support that McKinsey provided during the months of July, August and September 2017 (the “Fee Period”) pursuant to the consulting agreement entered into between McKinsey and the Board on or about and July 3, 2017 for consulting services in support of the Title III litigation (the “Consulting Agreement”). By this First Monthly Fee Statement, McKinsey seeks allowance of compensation for services rendered under the Consulting Agreement during the Fee Period in the amount of \$4,608,000.00 (which equals 90% of the compensation sought herein, in accordance with Section 2.c of the Interim Compensation Order).⁴

Summary of Services Rendered During the Fee Period

1. During the Fee Period, McKinsey provided a focused range of professional services as requested by the Board and reflected in the Consulting Agreement.

⁴ Puerto Rico withholding tax (at 29%) is applicable to payments for services performed in Puerto Rico. In accordance with the terms of Consulting Agreements, McKinsey has calculated the proportion of fees attributable to work performed in Puerto Rico and determined the applicable tax to be withheld by the client and paid over to the Puerto Rico tax authorities. The net amount received by McKinsey is consistent with the terms of the agreement concluded with the client.

2. McKinsey charges its fees in these cases in accordance with the terms set forth in the Consulting Agreement. The fees applied for herein are based on the usual and customary fees McKinsey charges to clients and are commensurate with the services performed.
3. McKinsey respectfully submits that the amounts applied for herein for professional services rendered on behalf of the Board in these cases to date are fair and reasonable given: (a) the time expended; (b) the nature and extent of the services performed at the time at which such services were rendered; and (c) the value of such services.
4. The efforts expended by McKinsey during the Fee Period have been commensurate with the size and complexity of these cases. In rendering these services, McKinsey has made every effort to maximize the benefit to the Debtors, to work efficiently with the other professionals employed in these cases, and to leverage staff appropriately in order to minimize duplication of effort.

Itemization of Services Rendered

1. In support of this First Monthly Fee Statement, McKinsey has attached the following exhibits:

Exhibit A consists of a copy of the Consulting Agreement entered into by and between McKinsey and the Board on or about and July 3, 2017.

Exhibit B consists of copies of McKinsey's monthly invoices for fees incurred during the Fee Period pursuant to the Consulting Agreement.

Exhibit C is a schedule that sets forth information about the professional services that McKinsey rendered to the Board during the Fee Period. As reflected in Exhibit B, McKinsey incurred \$5,120,000.00 in fees during the Fee Period, and now seeks reimbursement for 90% of such fees (\$4,608,000.00 in the aggregate).

Representations

2. While every effort has been made to include all fees incurred by McKinsey during the Fee Period, some fees may not be included in this First Monthly Fee Statement due to certain unavoidable delays caused by accounting and processing during the Fee Period. McKinsey reserves the right to make further application(s) for allowance of such fees not included herein. Subsequent fee statements and applications will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Interim Compensation Order.

Notice

3. Notice of this First Monthly Fee Statement has been or will be provided by overnight delivery to:

FOMB:

Financial Oversight and Management Board
40 Washington Square South
Office 314A
New York, NY 10012
Attn: Professor Arthur J. Gonzalez
FOMB Board Member

Co-Counsel for FOMB:

Proskauer Rose LLP
Eleven Times Square
New York, NY 10036
Attn: Martin J. Bienenstock, Esq.
Ehud Barak, Esq.
and

Proskauer Rose LLP
70 West Madison Street, Chicago, IL 60602
Attn: Paul V. Possinger, Esq.

Co-Counsel for FOMB:

O'Neill & Borges LLC
250 Muñoz Rivera Ave.
Suite 800
San Juan, PR 00918
Attn: Hermann D. Bauer, Esq.

Counsel for AAFAF:

O'Melveny & Myers LLP
Times Square Tower, 7 Times Square
New York, NY 10036
Attn: John J. Rapisardi, Esq.
Suzanne Uhland, Esq.
Diana M. Perez, Esq.

Office of United States Trustee:

Office of the United States Trustee for the District of Puerto Rico
Edificio Ochoa, 500 Tanca Street, Suite 301
San Juan, PR 00901
(In re: Commonwealth of Puerto Rico)

Co-Counsel for the Official Committee of Unsecured Creditors:

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attn: Luc. A. Despins, Esq.
Andrew V. Tenzer, Esq.
Michael E. Comerford, Esq.
G. Alexander Bongartz, Esq.
and
Casillas, Santiago & Torres, LLC (Proposed)
El Caribe Office Building
53 Palmeras Street, Ste. 1601
San Juan, Puerto Rico 00901-2419
Attn: Juan J. Casillas Ayala, Esq.
Diana M. Batlle-Barasorda, Esq.
Alberto J. E. Añeses Negrón, Esq.
Ericka C. Montull-Novoa, Esq.

Co-Counsel for the Official Committee of Retired Employees:

Jenner & Block LLP
919 Third Ave.
New York, NY 1022-3908
Attn.: Robert Gordon, Esq.
Richard Levin, Esq.
and
Bennazar, Garcia & Millian, C.S.P.
Edificio Union Plaza, PH-A Piso 18
Avenida Ponce de Leon #416
Hato Rey, San Juan
Puerto Rico 00918
Attn.: A.J. Bennazar- Zequeira, Esq.

Fee Examiner:

Brady Williamson
One East Main Street, Suite 500
Madison, WI 53703-3300

WHEREFORE, McKinsey respectfully requests payment by the Debtors of \$4,608,000.00, representing 90% of its fees incurred during the First Monthly Fee Period and requested herein.

Dated: December 12, 2017
Washington DC

McKinsey & Company, Inc. Washington DC

s/Tyler Duvall

Tyler Duvall

Partner

McKinsey & Company, Inc. Washington DC

1200 19th St NW #1000

Washington, DC 20036

Telephone: (202) 662-3100

Email: Tyler_Duvall@Mckinsey.com

Strategic Consultant to the Debtors

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.

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VERIFICATION OF TYLER DUVALL

I, Tyler Duvall, hereby declare the following under penalty of perjury:

1. I am one of the McKinsey Partners providing consulting services related to the above-captioned Title III case.
2. I have personally performed many of the professional services rendered by McKinsey as strategic consultant to the Debtors and am familiar with all other work performed on behalf of the Debtors by the Partners, Associates, and other persons in the Firm.
3. The facts set forth in the foregoing First Monthly Fee Statement are true and correct to the best of my knowledge, information, and belief.
4. I have reviewed the Interim Compensation Order and believe that McKinsey's First Monthly Fee Statement complies therewith.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: December 12, 2017
Washington, DC

s/Tyler Duvall

Tyler Duvall
Partner
McKinsey & Company, Inc. Washington DC

EXHIBIT A

Consulting Agreement

PROPRIETARY and CONFIDENTIAL

CONSULTING AGREEMENT

McKinsey & Company, Inc. Washington D.C. ("McKinsey") and The Financial Oversight and Management Board for Puerto Rico (the "Board" or the "Client") hereby enter into the following terms effective July 3, 2017 in connection with consulting services that McKinsey provides to Client for Strategic Consulting support related to the Title III Litigation(the "Services").

1. **SERVICES.** The working arrangements, including scope of the Services and Deliverables (as defined below) will be described in each mutually-executed Scope of Work, attached hereto as individual Attachments and incorporated herein, and cannot be materially amended without mutual agreement of the Parties. In order to be able to complete the Services within the agreed timeframe and budget and to fulfill its responsibilities on a timely basis, McKinsey will rely on the Client's timely cooperation, including the Client and the Government of Puerto Rico's making available relevant data, information and personnel, performing any tasks or responsibilities assigned to the Client or the Government of Puerto Rico and notifying McKinsey of any issues or concerns the Client may have relating to the Services. The Client is solely responsible for ensuring that the Government of Puerto Rico cooperates with responding to requests for purposes of the Services. The parties will meet at mutually agreed times to discuss the progress of the Services and to exchange feedback. During the course of the Services, priorities may shift or unexpected events may occur which may necessitate changes to the Services. In this event, the parties will jointly discuss the anticipated impact on the Services and agree on any appropriate adjustments, including to the scope of work, timeframe and budget.

2. **COMPENSATION.** The Client shall compensate McKinsey on a Firm Fixed Price basis in connection with the Services, as set forth in the Attachments. Any payments made by the Board to McKinsey hereunder are expressed net of any deductions or withholdings that may be applicable in respect of taxes, duties or levies and the Client will pay those amounts to McKinsey, in cleared funds. The parties agree that McKinsey is solely responsible for any applicable withholding and payment of taxes with respect to McKinsey Personnel as required by law. Neither party undertakes, pursuant to his Agreement or otherwise, to perform or discharge any liability or obligation of the other party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Consistent with the public purpose of the Client's mandate, this Agreement will be made publicly available subject to Section 5 below. McKinsey will invoice the Client for Deliverables in connection with the Services monthly or as otherwise set forth in the applicable Proposal. Except for Services provided under retainer, all invoices are to be paid in accordance with the court order setting procedures for interim compensation and reimbursement of professionals.

3. **CONFIDENTIALITY.** Subject to applicable public disclosure laws and the disclosure procedures established by Client that do not otherwise conflict with terms in this agreement, each Party agrees to keep confidential any confidential information furnished by either Party in connection with the Services ("Confidential Information"); provided, however, that the Client may disclose Confidential Information from McKinsey as necessary or desirable to carry out its statutory duties. The Client agrees to provide McKinsey prior notice of its intent to disclose Confidential Information from McKinsey. Without the Client's explicit consent, McKinsey will disclose Confidential Information only to its employees, agents and contractors who have a need to know and are bound to keep it confidential and will use Confidential Information only for purposes of performing the Services. Confidential Information shall be all information other than information that is (i) or becomes publicly available other than as a result of a breach of this agreement, (ii) already known to the Receiving Party, (iii) independently acquired or developed by the Receiving Party without violating any of its obligations under this agreement, or (iv) is legally required to be disclosed. All documents supplied by the Receiving Party Client in connection with the services hereunder will, upon written request, be returned by the Receiving Party to the Disclosing Party or destroyed, provided that the Receiving Party may retain a copy for archival purposes. In performing the Services, McKinsey will use and rely primarily on the Confidential Information and on information available from public sources without having independently verified the same and does not assume responsibility for the accuracy or completeness of the Confidential Information or such other publicly available information and Section 5 herein.

4. **INTELLECTUAL PROPERTY.** Upon payment in full of McKinsey's Fees associated with the relevant Services, the Client will own all reports, financial models and other deliverables prepared for and furnished to the Client by McKinsey in connection with the Services (the "Deliverables"), save that McKinsey retains ownership of all concepts, know-how, tools, frameworks, models, and industry perspectives developed or enhanced outside of or in connection with the Services (the "McKinsey Tools"), it being understood that none of the McKinsey Tools will contain the Client's

Confidential Information. To the extent the Deliverables include any McKinsey Tools, McKinsey hereby grants the Client a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free license to use and copy the McKinsey Tools solely as part of the Deliverables and subject to the limitations herein on disclosure of McKinsey materials and publicity.

5. DISCLOSURE OF MCKINSEY MATERIALS; PUBLICITY. McKinsey's work for the Client is confidential and for the Client's internal use only; provided, however, the Client may disclose such work to the extent such disclosure is necessary or desirable to carrying out the Client's statutory duties. The Client agrees that it will not disclose McKinsey's name in relation to any disclosure of work hereunder without McKinsey's consent. McKinsey will not disclose the Deliverables to any third parties (including any non-voting Board members) without the Client's prior written permission. McKinsey further agrees not to use the Client's name in any communication with any third party without the other party's prior written permission, including in press releases or other public announcements. If the Client receives a public records request for Deliverables or other documents containing McKinsey information, the Client will allow McKinsey the ability to review the documents prior to disclosure to advise if the documents contain information subject to an exception or exemption to the relevant public records law.

6. SERVING COMPETITORS. It is McKinsey's long-standing policy to serve competing clients and clients with potentially conflicting interests as well as counter-parties in merger, acquisition and alliance opportunities, and to do so without compromising McKinsey's professional responsibility to maintain the confidentiality of client information. Consistent with such practice and McKinsey's confidentiality obligations to its other clients, McKinsey is not able to advise or consult with the Client about McKinsey's serving the Client's competitors or other parties. To avoid situations of potential conflict, McKinsey will not, for a period of one year following an engagement for the Client, assign any consultant who receives Confidential Information in connection with such engagement to a competitively sensitive project, including a directly-conflicting engagement with the Government of Puerto Rico. Notwithstanding the foregoing, the Client understands and agrees that so long as McKinsey has appropriate procedures in place to mitigate any potential conflict, it may serve the Government of Puerto Rico on related matters.

7. INDEMNIFICATION.

(a) Deliverables produced hereunder are not intended as a substitute for financial, investment, legal, accounting or other professional advice, and McKinsey does not intend to supplant the Client or the Government of Puerto Rico's management or other decision-making bodies.

(b) The Client and the Government of Puerto Rico remain solely responsible for its decisions, actions, use of the Deliverables and compliance with applicable laws, rules and regulations. McKinsey agrees to indemnify and hold the Client harmless from and against all loss, liability, damage, cost, or expense (including reasonable attorney fees) ("Losses") to the extent those Losses are determined by a final, non-appealable order or arbitral award to have resulted from McKinsey's gross negligence or willful misconduct in the performance of the Services.

(c) The Client agrees to indemnify and hold McKinsey harmless from any Losses (including the costs of McKinsey's professional time) relating to the Services (including any Losses asserted by the Client, its agents or representatives, or third parties and any Losses sustained by McKinsey when participating in any legal, regulatory, or administrative proceeding relating to the Services), except to the extent those Losses are determined by a final, non-appealable order or arbitral award to have resulted from McKinsey's gross negligence or willful misconduct in the performance of the Services.

(d) The Client further indemnifies McKinsey, including any member, officer or employee thereof including but not limited to the Revitalization Coordination role, in any instance where it is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with such action, suit or proceeding, unless it acted with bad faith or engaged in intentional misconduct and, with respect to any criminal action or proceeding, unless it knew or should have known the conduct was unlawful. The termination of any act, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that McKinsey (or any of its members, officers or employees) did not satisfy these standards.

Neither party will be liable for any lost profits or other indirect, consequential, incidental, punitive or special damages. In no event shall McKinsey's liability to the Client in connection with the Services relating to an engagement for the Client exceed the amount paid to McKinsey by the Client in connection with such engagement.

8. AUTHORITY OF THE BOARD. The Client represents and warrants it has the authority to enter into this Agreement for the Services. In the event that it is determined that the Client did not have authority to authorize all or part of this agreement, McKinsey may make the sole determination as to whether to terminate the Agreement according to Section 10 herein, or continue with those parts of the Services for which the Client does have authority. The Client agrees to indemnify and hold McKinsey harmless from any Losses (including the costs of McKinsey's professional time) resulting from a breach of this Section 8 and/or a misrepresentation by the Client of authority to act (including any Losses asserted by the Client, its agents or representatives, or third parties and any Losses sustained by McKinsey when participating in any legal, regulatory, or administrative proceeding relating to the Services).

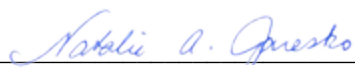
9. CONFLICTS OF INTEREST. The Client agrees that performance of Services hereunder shall not conflict McKinsey from serving the Government of Puerto Rico or any stakeholders to the work, subject to the restrictions in Section 6 – "Serving Competitors."

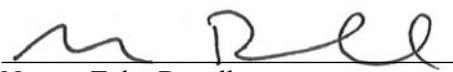
10. TERM AND TERMINATION. This agreement takes effect on the date the Services commenced and shall continue until terminated in accordance with its terms. Either party may terminate the Services at any time effective upon 30 days written notice to the other. In the event of any termination, the Client will pay McKinsey for the work completed up to the effective date of termination.

11. MISCELLANEOUS. This agreement and the Proposals constitute the entire agreement between the parties, and there are no prior or contemporaneous oral or written representations, understandings or agreements relating to this subject matter that are not fully expressed herein or therein. This agreement and the Proposals shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles and shall inure to the benefit of and be binding on the successors and assigns of the Client and McKinsey. The following Sections shall survive the completion or any termination of the Services: 3 (Confidentiality), 4 (Intellectual Property), 5 (Disclosure of McKinsey Materials; Publicity), 6 (Serving Competitors), 7 (Indemnification), 8 (Term and Termination) and 9 (Miscellaneous) and any other provision which by law or by its nature should survive. Neither party may assign its rights or obligations under this agreement to any person or entity without the written consent of the other party, not to be unreasonably withheld, provided, however, that either party may assign its rights and obligations under this agreement to its affiliates upon reasonable written notice to the other party but without the written consent of the other party. Assignment shall not relieve either party of its obligations hereunder. McKinsey is an independent contractor and not the Client's agent or fiduciary. Notwithstanding any course of dealings of the parties at any time or any statement to the contrary contained therein, no purchase order, invoice or other similar document issued by a party shall be construed to modify the terms of this agreement. Rights and remedies provided in this agreement are cumulative and not exclusive of any right or remedy provided at law or in equity.

The Financial Oversight and Management Board for Puerto Rico
(Client)

McKinsey & Company, Inc., Washington D.C.


Name: Natalie A. Jaresko
Title: Executive Director
Date: Sept. 12, 2017


Name: Tyler Duvall
Title: Partner
Date: September 8, 2017

ATTACHMENT 1
Scope of Work
For
Commonwealth Title III Support

Services:

In regards to support for the Commonwealth Title III proceedings to the Board to include:

Activities:

- Participation in and coordination of cross advisor meetings (Board, Commonwealth and/or Stakeholders) regarding Title III related matters
- Preparation of materials necessary for supporting Fiscal Plan litigation, which could include:
 - Assemble fact base regarding process for creation, stress testing and certification of the fiscal plan
 - Assemble fact base regarding additional analyses created for the FOMB with respect to evaluating/stress testing the FY18 fiscal plan
 - Collect and summarize key input sources and supporting analysis for key fiscal plan assumptions
 - Assemble fact base regarding process and supporting analysis used to identify and evaluate key measures proposed and finally included in the fiscal plan
 - Prepare and/or evaluate alternative fiscal plan scenario analyses in support of requested alternative contexts
 - Prepare analyses in support of litigation activities
- As needed, ad-hoc analyses and/or responses to questions regarding litigation or potential litigation relating to the Fiscal Plan or other Commonwealth Title III matters
- As applicable to McKinsey's Services regarding FOMB fiscal plans and work relative to the Commonwealth and its instrumentalities, it is the expectation of McKinsey and the Board that as part of the Services McKinsey shall:
 - Provide expert testimony (at most 2 per quarter)
 - Participate in and/or assist the Board with mediation sessions and Board meetings or conferences, which may include presentations
 - Provide support at related stakeholder interactions, which may include presentations

Deliverable:

- Monthly report regarding liquidity performance and strategic choices on liquidity related to Title III proceedings and/or ad hoc analysis performed within that month.

Support Structure and Cost:

- The cost for this work will be \$740,000 per month and will continue so long as the Commonwealth Title III process continues or the Board no longer believes the support is necessary.
- If additional deliverables are required by McKinsey beyond this core support this contract will be amended to reflect any required support.

Payment Schedule

McKinsey will submit a Monthly Fee Statement for the deliverables provided on or before the 25th day of each calendar month.

ATTACHMENT 2
Scope of Work
for
Title III Support for PREPA

Services:

In regards to work specifically supporting the Title III proceedings for the Board with relation to PREPA, McKinsey will support the Board in the following ways:

1. Coordinate and provide analysis related to development of the transformation plan and plan of arrangement for PREPA

Activities:

The core activities include working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Establishment of the PREPA working group for Title III, including working group protocol, governance, cadence, targets and coordination
- Lead PREPA working group for Title III, including leading meetings, developing core materials, workplans, agendas and coordination with PREPA, AAFAF and its experts and advisors
- Develop transformation plan for PREPA for Title III which includes but is not limited to:
 - Operational stabilization plans focused on near and immediate term actions to maintain sustainable operations and launch capex programs with specific implementation plans, resourcing and costing supporting their delivery
 - Debt restructuring terms and plans, agreed with creditors to the extent possible
 - Detailed privatization/corporatization plans supported by financial models and market engagement
 - Detailed action plans to implement all measures identified in the Fiscal Plans with additional measures to achieve Board targets
 - Governance and management plans that will enable delivery of actions
 - Stakeholder management plans and demonstrable success in engaging key stakeholders such as regulators
 - Macro-resource planning when required (e.g. updated IRP for PREPA)
 - Clear assessments of economic and social impacts on the people of Puerto Rico
 - Clear timelines for delivery of the plan
- Coordinate development of and approval by the Board of other submissions related to the Title III proceedings, including Plans of Arrangements, financial disclosure, implementation plans, contract assumption and rejection
- Work with Board management and Board PREPA subcommittee to provide updates and take guidance on PREPA transformation and Title III
- Monitor implementation of all aspects of the PREPA transformation plans and Title III plans
- Escalating deviations from plans and defining solutions for compliance

- Conduct limited market engagement as necessary to identify potential privatization options for PREPA
- Lead development of an integrated resource plan for PREPA to support the Transformation Plan in coordination with PREC and PREPA
- As applicable to McKinsey's Services regarding FOMB fiscal plans and work relative to the Commonwealth and its instrumentalities, it is the expectation of McKinsey and the Board that as part of the Services McKinsey shall:
 - Provide expert testimony (at most 2 per quarter)
 - Participate in and/or assist the Board with mediation sessions and Board meetings or conferences, which may include presentations
 - Provide support at related stakeholder interactions, which may include presentations

Deliverables:

A monthly report describing progress against transformation objectives, as well as specific supporting analyses, including:

- Detailed action plans, including e.g. structural solutions, governance, likely economic impacts and operational stabilization
- Synopsis of market perspectives related to different potential options
- Integrated resource plan

Support Structure and Cost:

- The cost for this work will be \$740,000 per month and will continue so long as the Title III process continues or the Board no longer believes the support is necessary.
- If additional deliverables are required by McKinsey beyond this core support this contract will be amended to reflect any required support.

Payment Schedule

McKinsey will submit a Monthly Fee Statement for the deliverables provided on or before the 25th day of each calendar month.

ATTACHMENT 2
Scope of Work
for
Title III Support for HTA

Services:

In regards to work specifically supporting the Title III proceedings for the Board with relation to HTA, McKinsey will support the Board in the following ways:

Coordinate and provide analysis related to development of the transformation plan and plan of arrangement for HTA

Activities:

The core activities include working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Establishment of the HTA working group for Title III, including working group protocol, governance, cadence, targets and coordination
- Lead HTA working group for Title III, including leading meetings, developing core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors
- Develop transformation plan for HTA for Title III which includes but is not limited to:
 - Operational stabilization plans focused on near and immediate term actions to maintain sustainable operations and launch capex programs with specific implementation plans, resourcing and costing supporting their delivery
 - Debt restructuring terms and plans, agreed with creditors to the extent possible
 - Detailed privatization/corporatization plans supported by financial models and market engagement
 - Action plans to implement all measures identified in the Fiscal Plans with additional measures to achieve Board targets
 - Governance and management plans that will enable delivery of actions
 - Stakeholder management plans and demonstrable success in engaging key stakeholders such as regulators
 - Macro-resource planning when required
 - Clear assessments of economic and social impacts on the people of Puerto Rico
 - Clear timelines for delivery of the plan
- Coordinate development of and approval by the Board of other submissions related to the Title III proceedings, including Plans of Arrangements, financial disclosure, implementation plans, contract assumption and rejection
- Work with Board management and Board HTA subcommittee to provide updates and take guidance on HTA transformation and Title III
- Monitor implementation of all aspects of the HTA transformation plans and Title III plans
- Escalating deviations from plans and defining solutions for compliance
- Support litigation related to the HTA proceedings, which has commenced

- As applicable to McKinsey's Services regarding FOMB fiscal plans and work relative to the Commonwealth and its instrumentalities, it is the expectation of McKinsey and the Board that as part of the Services McKinsey shall:
 - Provide expert testimony (at most 2 per quarter)
 - Participate in and/or assist the Board with mediation sessions and Board meetings or conferences, which may include presentations
 - Provide support at related stakeholder interactions, which may include presentations

Deliverables:

A monthly report describing progress against transformation objectives, as well as specific supporting analyses, including:

- Detailed action plans, including e.g. structural solutions, governance, likely economic impacts and operational stabilization
- Synopsis of market perspectives related to different potential options
- Integrated resource plan

Support Structure and Cost:

- The cost for this work will be \$720,000 per month and will continue so long as the HTA Title III process continues or the Board no longer believes the support is necessary.
- If additional deliverables are required by McKinsey beyond this core support, this contract will be amended to reflect any required support.

Payment Schedule

McKinsey will submit a Monthly Fee Statement for the deliverables provided on or before the 25th day of each calendar month.

EXHIBIT B

Monthly Invoices

McKinsey&Company

The Financial Oversight and
Management Board for Puerto Rico
PO Box 195556
San Juan, Puerto Rico 00919-5556

ATTN: Promesa Assistant
accountspayable@promesa.gov

Invoice No: DCG-GPC008-4708

Consulting Agreement
Client for Strategic Consulting support related to
the Title III Litigation
Effective Agreement Date: July 3, 2017

Invoice Date: 10/31/2017

Net 30

FFP Payment Schedule

Monthly Fee for HTA at \$720,000 per month

Invoice PoP: July 3, 2017 – September 30, 2017

Gross invoice amount for services performed outside Puerto Rico:	\$	1,166,400.00
Gross invoice amount for services performed in Puerto Rico:	\$	1,399,436.62
Subtotal:	\$	2,565,836.62
Less withholding tax deducted at source:	\$	(405,836.62)
Net Invoice Payable:	\$	2,160,000.00

Please wire transfer payment to:
McKinsey & Company, Inc.



If remitting by check please send check to:
McKinsey & Company, Inc.



Federal Tax ID#:



Please reference the invoice number and invoice date on your remittance advice.

For advice or questions on remittances, please contact Pamela Wertz 202-662-0060 or
Mike Nowicki 202-662-3379.

McKinsey&Company

The Financial Oversight and
Management Board for Puerto Rico
PO Box 195556
San Juan, Puerto Rico 00919-5556

ATTN: Promesa Assistant
accountspayable@promesa.gov

Invoice No: DCG-GPC009-4709

Consulting Agreement
Client for Strategic Consulting support related to
the Title III Litigation
Effective Agreement Date: July 3, 2017

Invoice Date: 10/31/2017

Net 30

FFP Payment Schedule

Monthly Fee for PREPA at \$740,000 per month

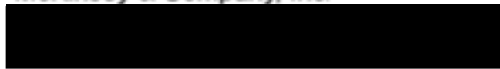
Invoice PoP: August 1, 2017 – September 30, 2017

Gross invoice amount for services performed outside Puerto Rico:	\$	814,000.00
Gross invoice amount for services performed in Puerto Rico:	\$	938,028.17
Subtotal:	\$	1,752,028.17
Less withholding tax deducted at source:	\$	(272,028.17)
Net Invoice Payable:	\$	1,480,000.00

Please wire transfer payment to:
McKinsey & Company, Inc.



If remitting by check please send check to:
McKinsey & Company, Inc.



Federal Tax ID#:



Please reference the invoice number and invoice date on your remittance advice.

For advice or questions on remittances, please contact Pamela Wertz 202-662-0060 or
Mike Nowicki 202-662-3379.

McKinsey&Company

The Financial Oversight and
Management Board for Puerto Rico
PO Box 195556
San Juan, Puerto Rico 00919-5556

ATTN: Promesa Assistant
accountspayable@promesa.gov

Invoice No: DCG-GPC010-4710

Consulting Agreement
Client for Strategic Consulting support related to
the Title III Litigation
Effective Agreement Date: July 3, 2017

Invoice Date: 10/31/2017

Net 30

FFP Payment Schedule

Monthly Fee for Commonwealth at \$740,000 per month

Invoice PoP: August 1, 2017 – September 30, 2017

Gross invoice amount for services performed outside Puerto Rico:	\$	695,600.00
Gross invoice amount for services performed in Puerto Rico:	\$	1,104,788.73
Subtotal:	\$	1,800,388.73
Less withholding tax deducted at source:	\$	(320,388.73)
Net Invoice Payable:	\$	1,480,000.00

Please wire transfer payment to:
McKinsey & Company, Inc.



If remitting by check please send check to:
McKinsey & Company, Inc.



Federal Tax ID#: 

Please reference the invoice number and invoice date on your remittance advice.

For advice or questions on remittances, please contact Pamela Wertz 202-662-0060 or
Mike Nowicki 202-662-3379.

EXHIBIT C

HTA Title III

July 2017

Scope of Services and Deliverables

The scope of services and deliverables related to HTA in Title III in July 2017 involved coordinating and providing analysis related to development of the transformation plan and plan of arrangement for HTA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas (and providing ad hoc support as needed):

- Established the HTA Working Group for Title III, including working group protocol, governance, cadence, targets and coordination
- Led HTA Working Group for Title III, including leading meetings on July 12, 2017 and July 25, 2017 25th, develop core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors
- Developed the HTA Transformation Plan for Title III, including by developing analysis and presentation pages for inclusion into the HTA Transformation Plan Outline and Plan
- Prepared and delivered regular progress reviews and reports for Board management and Board HTA subcommittee to provide updates, take guidance and support evaluation and progress of HTA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses
- Escalated deviations from plans and define solutions for compliance
- Supported litigation related to the HTA proceedings, including by developing mediation and litigation presentations and testimony related to HTA
- Provided expert testimony in court proceedings

Team Member Activity

Tyler Duvall and Aaron Bielenberg led a working team for HTA Title III with Dylan McCall-Landry as full-time engagement manager, and Kush Das and Jared Katseff as full-time consultants.

Tyler Duvall (Partner)

- Led McKinsey participation in HTA Working Group meetings held on July 12th and 25th
- Provided input to working team on a variety of key topics, including capex planning, execution, operating cost efficiency initiatives, maintenance strategies and new revenue opportunities covered in the HTA Transformation Plan
- Prepared for and testified as a transportation expert in Federal court in San Juan
- Identified different potential governance solutions and worked with team to refine best practice case studies to support HTA Working Group and HTA Transformation Plan development

Aaron Bielenberg (Associate Partner)

- Led McKinsey participation in HTA Working Group meetings on July 12, 2017 and July 25, 2017
- Led development of Board materials and integration of Board feedback on HTA Fiscal Plan and began development of HTA Transformation Plan
- Led preparation of materials and agenda for the HTA Working Group meeting on July 25, 2017, participated in and incorporated feedback following meeting, including alignment on work plan
- Provided input to working team on best practices and case studies related to operations, governance and investment in roads systems covered in the Transformation Plan
- Provided input to working team on a variety of key topics, including capex planning, execution, operating cost efficiency initiatives, maintenance strategies and new revenue opportunities covered in the HTA Transformation Plan

- Worked with Revitalization Coordinator to develop HTA Transformation Plan strategy and briefings

Dylan McCall-Landry (Engagement Manager)

- Coordinated and participated in HTA Working Group meetings, prepared agenda and tracked next steps and responsible parties
- Coordinated weekly internal advisor (legal and others) meetings and prepared materials for HTA litigation support
- Reviewed and conducted quality control on documentation for litigation support including impact of litigation on HTA's ability to deliver on its mission, detailed assessment of the impact of the fiscal plan, and benchmarking against other highway authorities
- Conducted analysis on current state financial performance and impact of proposed fiscal plan on HTA's operations, including benchmarking against other highway / transportation authorities
- Coordinated and participated in HTA Working Group meetings to finalize July Fiscal Plan on July 12, 2017 and July 25, 2017

Jared Katseff (Associate)

- Assisted in coordinating weekly internal advisor (legal and others) meetings and prepared materials for HTA litigation support
- Reviewed and provided comments and input to the documentation for litigation support including impact of litigation on HTA's ability to deliver on its mission, detailed assessment of the impact of the fiscal plan, and benchmarking against other highway authorities

Kush Das (Associate)

- Synthesized Board feedback on HTA Fiscal Plan and began development of HTA Transformation Plan
- Developed workplan for the HTA Working Group for August and September 2017
- Prepared materials for, participated in and incorporated feedback following the HTA Working Group meeting on July 25, 2017, including alignment on work plan
- Conducted and synthesized research for governance and management considerations, revenue sources, and capital and operating expense management and developed best practices based on case studies for inclusion in the HTA Transformation Plan

HTA Title III

August 2017

Scope of Services and Deliverables

The scope of services and deliverables related to HTA in Title III in August 2017 was to coordinate and provide analysis related to development of the transformation plan and plan of arrangement for HTA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Led HTA Working Group for Title III, including leading meetings on August 1, 2017, August 11, 2017, August 24, 2017 and August 28, 2017, developing core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors
- Further developed the HTA Transformation Plan for Title III, including additional analyses and presentation pages for inclusion into the HTA Transformation Plan Outline and Plan
- Prepared and delivered regular progress reviews and reports for Board management and Board HTA subcommittee to provide updates, take guidance and support evaluation and progress of HTA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses
- Supported litigation related to the HTA proceedings
- Developed materials for Board mediation sessions and Board meetings or conferences
- Participated in and/or assisted the Board with mediation sessions on HTA in August in New York City and Board meetings, including presentations as necessary

Team Member Activity

Tyler Duvall and Aaron Bielenberg led a working team for HTA Title III with Dylan McCall-Landry as full-time engagement manager, and Kush Das as a full-time consultant.

Tyler Duvall (Partner)

- Led McKinsey participation in HTA Working Group meetings on August 1, 2017, August 11, 2017, August 24, 2017 and August 28, 2017
- Provided input to working team to develop HTA Transformation Plan with focus on reform of HTA in order to ensure financial viability, improved operating margins and better capital planning and execution
- Briefed Board members on the HTA Transformation Plan and HTA Working Group progress
- Led team responding to HTA-related questions for the mediation session
- Provided strategic direction to team to develop and refine variety of governance choices (advantages, disadvantages, tradeoffs, risks, etc.)

Aaron Bielenberg (Associate Partner)

- Led McKinsey participation in HTA Working Group meetings on August 1, 2017, August 11, 2017, August 24, 2017 and August 28, 2017
- Developed and presented responses to HTA-related questions for the mediation session, developed and presented mediation presentation
- Led development of the outline of the HTA Transformation Plan, including analyses on toll roads revenues, governance structure, organizational structure, and capital and operating expense optimization, and plan to exit Title III
- Led briefings on the HTA Transformation Plan outline with Board advisors, HTA representatives, and reviewed and provided feedback on HTA advisors as part of the HTA Working Group
- Prepared Board updates on the HTA Transformation Plan and Working Group progress, and developed progress tracker
- Reviewed, provided input to and conducted quality control on documentation for the HTA Transformation Plan outline
- Worked with Revitalization Coordinator to develop HTA Transformation Plan strategy and briefings

Dylan McCall-Landry (Engagement Manager)

- Coordinated and led weekly working group meetings (HTA, AAFAF, advisors) on August 1, 2017, August 11, 2017, August 24, 2017 and August 28, 2017 regarding HTA Title III transformation plan, prepared agenda and tracked next steps and responsible parties
- Coordinated preparation of responses to HTA-related questions for the mediation session and mediation presentation materials
- Reviewed and conducted quality control on documentation for HTA Transformation Plan outline
- Conducted research and analyses on corporate governance structure and privatization options for HTA Transformation Plan
- Reviewed and conducted quality control on documentation for transformation plan outline cutting across revenue enhancement measures, feasibility of opex reductions, and corporate governance structure

Kush Das (Associate)

- Prepared responses to HTA-related questions for the mediation session, developed input for mediation presentation
- Developed outline of the HTA Transformation Plan, including analyses on toll roads revenues, governance structure, organizational structure, and capital and operating expense optimization, and plan to exit Title III
- Lead and participated in HTA Working Group meetings including material preparation and debrief, and iterated on the HTA Transformation Plan outline with Board advisors, HTA representatives, and reviewed and provided feedback on HTA advisors' workplan and outline
- Developed proposals for scope of work of external consultants and resources and integration of work with HTA advisors to support HTA Transformation Plan development

- Collected and synthesized legal questions posed by the current version of the HTA Transformation Plan outline
- Prepared Board updates on the HTA Transformation Plan and Working Group progress, and developed progress tracker

HTA Title III

September 2017

Scope of Services and Deliverables

The scope of services and deliverables related to HTA in Title III in September 2017 was to coordinate and provide analysis related to development of the transformation plan and plan of arrangement for HTA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Led HTA Working Group for Title III, including leading meeting on September 13, 2017, developing core materials, workplans, agendas and coordination with HTA, AAFAF and its experts and advisors
- Further developed the HTA Transformation Plan for Title III, including additional analyses and presentation pages for inclusion into the HTA Transformation Plan Outline and Plan
- Prepared and delivered regular progress reviews and reports for Board management and Board HTA subcommittee to provide updates, take guidance and support evaluation and progress of HTA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses
- Provided support at related stakeholder interactions, including but not limited to presentations related to impact of Hurricane Maria

Team Member Activity

Tyler Duvall and Aaron Bielenberg led a working team for HTA Title III with Dylan McCall-Landry as full-time engagement manager, and Kush Das and Corey Hopper as full-time consultants.

Tyler Duvall (Partner)

- Led continued development of the HTA Transformation Plan
- Participated in HTA Working Group session on September 13, 2017 to refine and adjust plan
- Worked closely with team to analyze specific questions related to governance, capital planning, revenues, etc. covered in the Transformation Plan
- Worked with team to synthesize capital projects and expenditure plan and analyzed match requirements for toll credits to stress test financial impact as covered in the Transformation Plan
- Worked with team to develop liquidity models for HTA following hurricane Maria to assess impact on HTA liquidity, provided input into Commonwealth liquidity analysis and developed hypothesis on likely updates needed to the Transformation Plan and Fiscal Plan measures due to the hurricane
- Worked with Revitalization Coordinator to develop HTA Transformation Plan strategy and briefings

Aaron Bielenberg (Associate Partner)

- Led McKinsey participation in HTA Working Group meeting on September 13, 2017
- Led work conducting an initial damage assessment for HTA and roads in response to hurricane Maria
- Reviewed and conducted quality control on documentation for HTA Transformation Plan including structure of the entity (corporate governance and privatization options), mechanisms to improve revenues (exploring incremental revenues from core and non-core assets), and feasibility of implementing cost reduction measures
- Reviewed and developed response to HTA Working Group letter from AAFAF and HTA
- Worked with Revitalization Coordinator to develop HTA Transformation Plan strategy and briefings

- Assessed and provided input to 2- and 10-year liquidity models for HTA following hurricane Maria to assess impact on HTA liquidity, provided input into Commonwealth liquidity analysis and developed hypothesis on likely updates needed to the HTA Transformation Plan and Fiscal Plan measures due to the hurricane

Dylan McCall-Landry (Engagement Manager)

- Coordinated and participated in HTA Working Group, prepared agenda and tracked next steps and responsible parties
- Conducted research and analyses on sources for incremental revenues to improve operating position including monetizing right-of-way assets and expansion of toll system for the HTA Transformation Plan
- Reviewed and conducted quality control on documentation for HTA Transformation Plan including structure of the entity (corporate governance and privatization options), mechanisms to improve revenues (exploring incremental revenues from core and non-core assets), and feasibility of implementing cost reduction measures for the HTA Transformation Plan
- Coordinated response on initial damage assessment for public infrastructure providers in response to hurricane Maria

Kush Das (Associate)

- Prepared materials for, participated in and incorporated results from HTA Working Group and sub-group meetings on HTA organizational structure, revenues and expenses to continue development of the HTA Transformation Plan
- Synthesized capital projects and expenditure plan and analyzed match requirements for toll credits to stress test financial impact for inclusion in HTA Transformation Plan
- Reviewed and developed response to HTA Working Group letter from AAFAF and HTA
- Prepared updates to Board and Revitalization Coordinator on HTA Transformation Plan and Working Group progress
- Developed 2- and 10-year liquidity models for HTA following hurricane Maria to assess impact on HTA liquidity, provided input into Commonwealth liquidity analysis and developed hypothesis on likely updates needed to the Transformation Plan and Fiscal Plan measures due to the hurricane

Corey Hopper (Associate)

- Analyzed HTA capital and operating expenses to identify levers of opportunity for capital project delivery and operational improvements
- Developed HTA Transformation Plan outline; focus on organization structure, and optimal capital project development and delivery
- Analyzed current HTA covered assets to identify and evaluate the future role of transit within HTA
- Prepared materials for, participated in, and incorporated results from HTA Working Group and sub-group meetings on HTA organizational structure, revenues and expenses to continue making progress on the HTA Transformation Plan
- Prepared materials for updates to Board and Revitalization Coordinator on capital project development, delivery, and asset maintenance for consideration in the HTA Transformation Plan

PREPA Title III

August 2017

Scope of Services and Deliverables

The scope of services and deliverables related to PREPA in Title III in August 2017 involved coordinating and providing analysis related to development of the transformation plan and plan of arrangement for PREPA. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas (and providing ad hoc support as needed):

- Established the PREPA Working Group for Title III, including working group protocol, governance, cadence, targets and coordination
- Led PREPA Working Group for Title III, including leading full working group meeting on August 10, 2017, developing core materials, workplans, agendas and coordination with PREPA, AAFAF and its experts and advisors
- Developed the PREPA Transformation Plan for Title III, including by developing analysis and presentation pages for inclusion into the PREPA Transformation Plan Outline and Plan
- Prepared and delivered regular progress reviews and reports for Board management and Board PREPA subcommittee to provide updates, take guidance and support evaluation and progress of PREPA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses
- Developed presentation for August Board mediation session and Board meetings or conferences
- Provided support at related stakeholder interactions, including but not limited to preparing ad-hoc presentations

Team Member Activity

Bertil Chappuis, Tyler Duvall and Aaron Bielenberg led a working team for PREPA Title III with Sarah Brody as full-time engagement manager, Nelson Ortiz and Maria Bernier as full-time consultants and expert support from consultant Scott Perl.

Bertil Chappuis (Senior Partner)

- Weekly conversations with Board members, Executive Director and staff to evolve PREPA Title III strategy and approach
- Weekly problem solving sessions with team to guide work and address cross team issues
- Weekly PREPA working group meetings to review progress
- Weekly Executive Board and PREPA subcommittee meetings to review progress and advise on key PREPA decisions
- Reviewed and provided input for all team deliverables (in particular, PREPA transformation plan approach and initial draft; PREPA mediation session materials)
- Weekly conversations with McKinsey leadership, clients and team members to address key emerging issues
- Attended PREPA mediation session as part of 3-day mediation session

Tyler Duvall (Partner)

- Weekly conversations with Board members, Executive Director and staff to evolve PREPA Title III strategy and approach
- Weekly problem-solving sessions with team to guide work and address cross team issues
- Weekly PREPA working group meetings to review progress
- Weekly Executive Board and PREPA subcommittee meetings to review progress and advise on key PREPA decisions
- Reviewed and provided input for all team deliverables (in particular, PREPA transformation plan approach and initial draft; PREPA mediation session materials)
- Weekly conversations with McKinsey leadership, clients and team members to address key emerging issues

- Presented materials at PREPA mediation session as part of 3-day mediation session

Aaron Bielenberg (Associate Partner)

- Led PREPA Working Group towards development of draft Transformation Plan
- Provided input on outline of PREPA Transformation Plan, encompassing context and background of PREPA and major areas of focus for PREPA Transformation Plan
- Led development of PREPA mediation session presentation, made presentation to creditors and preparation of responses to creditor questions in alignment with PREPA representatives
- Led preparation of Board update on status of PREPA Transformation, including potential governance structure, privatization timeline and initial options, initial Transformation Plan outline and plan for development; and initial update on alternative generation scenarios and presented materials

Sarah Brody (Engagement Manager)

- Developed outline of PREPA Transformation Plan, encompassing context and background of PREPA and major areas of focus for PREPA Transformation Plan
- Led PREPA Working Group towards development of draft Transformation Plan
- Coordinated development of PREPA mediation session presentation and preparation of responses to creditor questions in alignment with PREPA representatives
- Prepared Board update on status of PREPA Transformation, including potential governance structure, privatization timeline and initial options, initial Transformation Plan outline and plan for development; and initial update on alternative generation scenarios
- Led working sessions to develop perspective on operational efficiencies and capital investment and long-term resource planning sections of PREPA Transformation Plan

Scott Perl (Associate Partner)

- Reviewed and assessed draft of PREPA Transformation Plan, with a specific focus on planned operational improvements
- Assessed potential ideas to further improve plan, based on industry best practices and past experience with transformations

Nelson Ortiz (Associate)

- Coordinated working sessions to develop perspective on operational efficiencies section of PREPA Transformation Plan
- Developed PREPA mediation session presentation and preparation of responses to creditor questions in alignment with PREPA representatives
- Prepared materials for PREPA Working Group

Maria Bernier (Analyst)

- Coordinated working sessions to develop perspective on capital investment and long-term resource planning section of PREPA Transformation Plan
- Conducted analyses to develop independent view on least cost generation options for evaluation of PREPA Transformation Plan
- Prepared Board update on status of PREPA Transformation, including potential governance structure, privatization timeline and initial options, initial Transformation Plan outline and plan for development; and initial update on alternative generation scenarios
- Developed PREPA mediation session presentation and preparation of responses to creditor questions in alignment with PREPA representatives
- Prepared materials for PREPA Working Group

PREPA Title III

September 2017

Scope of Services and Deliverables

The scope of services and deliverables related to PREPA in Title III in September 2017 was to coordinate and provide analysis related to development of the transformation plan and plan of arrangement for PREPA, including developing recommended revisions to the draft transformation plan submitted by the government. The core activities included working directly with the Board, the Executive Director and Board Staff in the following areas (as well as ad hoc and as needed support):

- Led PREPA Working Group for Title III, including preparing for meetings (September 22, 2017, scheduled but cancelled due to hurricane Maria), developing core materials, workplans, agendas and coordination with PREPA, AAFAF and its experts and advisors
- Continued developing the PREPA Transformation Plan for Title III, including by developing additional analysis and presentation pages for inclusion into the PREPA Transformation Plan Outline and Plan
- Prepared and delivered regular progress reviews and reports for Board management and Board PREPA subcommittee to provide updates, take guidance and support evaluation and progress of PREPA Transformation Plan and Title III, including action and resource plans, synopsis of perspectives related to different potential options, and various supporting analyses
- Provided support at related stakeholder interactions, including but not limited to presentations related to impact of Hurricane Maria
- Supported Board in proposal to appoint CTO at PREPA and workplan supporting role

Team Member Activity

Bertil Chappuis, Tyler Duvall and Aaron Bielenberg led a working team for PREPA Title III with Sarah Brody as full-time engagement manager, Nelson Ortiz and Maria Bernier as full-time consultants and expert support from consultants Amy Wagner, Alex Brihac and Andrew Mayock.

Bertil Chappuis (Senior Partner)

- Weekly conversations with Board members, Executive Director and staff to evolve PREPA Title III strategy and approach
- Weekly problem-solving sessions with team to guide work and address cross team issues
- Weekly PREPA working group meetings to review progress
- Weekly Executive Board and PREPA subcommittee meetings to review progress and advise on key PREPA decisions
- Reviewed and provided input for all team deliverables (in particular, PREPA transformation plan draft)
- Weekly conversations with McKinsey leadership, clients and team members to address key emerging issues
- Guided re-scoping of PREPA transformation plan work in aftermath of Hurricane Maria to address catastrophic damage to PREPA assets

Tyler Duvall (Partner)

- Weekly conversations with Board members, Executive Director and staff to evolve PREPA Title III strategy and approach
- Weekly problem-solving sessions with team to guide work and address cross team issues
- Weekly PREPA working group meetings to review progress
- Weekly Executive Board and PREPA subcommittee meetings to review progress and advise on key PREPA decisions
- Reviewed and provided input for all team deliverables (in particular, PREPA transformation plan draft)
- Weekly conversations with McKinsey leadership, clients and team members to address key emerging issues

- Guided re-scoping of PREPA transformation plan work in aftermath of Hurricane Maria to address catastrophic damage to PREPA assets

Aaron Bielenberg (Associate Partner)

- Led PREPA Working Group towards revision of draft Transformation Plan
- Review of first draft of government-submitted PREPA Transformation Plan, including operational efficiencies, stabilization, industry structure, economic impacts, implementation plans, and governance, as well as high-level overview of alternative generation scenarios
- Managed drafting of PREPA Board update on PREPA Transformation, including background and context on PREPA, goals and elements of the Transformation Plan, key decisions on privatization process; and key revisions to Transformation Plan including operational efficiencies, privatization, long-term maintenance, capital investment, and privatization
- Managed development of and presented infrastructure assessment for the Board - including initial assessment of hurricane damages, guidance on Board response, benchmarking versus other storms, potential impact on fiscal plans and budgets
- Guided re-scoping of PREPA transformation plan work in aftermath of Hurricane Maria to address catastrophic damage to PREPA assets

Sarah Brody (Engagement Manager)

- Led PREPA Working Group towards revision of draft Transformation Plan
- Coordinated submission of first draft of government-submitted PREPA Transformation Plan, including operational efficiencies, stabilization, industry structure, economic impacts, implementation plans, and governance, as well as high-level overview of alternative generation scenarios
- Drafted PREPA Board update on PREPA Transformation, including background and context on PREPA, goals and elements of the Transformation Plan, key decisions on privatization process; and key revisions to Transformation Plan including operational efficiencies, privatization, long-term maintenance, capital investment, and privatization
- Following Hurricane Maria, prepared infrastructure assessment for the Board - developed initial assessment of hurricane damages, guidance on Board response, benchmarking versus other storms, potential impact on fiscal plans and budgets

Andrew Mayock (Associate Partner)

- Developed work plan for economic impacts analysis of PREPA transformation
- Assessed expected GNP impact through expert consultation
- Began analysis of expected impact of new energy investments
- Conducted research on utility rates and competitiveness

Amy Wagner (Senior Expert)

- Reviewed submission of first draft of government-submitted PREPA Transformation Plan, including operational efficiencies, stabilization, industry structure, economic impacts, implementation plans, and governance, as well as high-level overview of alternative generation scenarios
- Provided expert opinion and review for development of materials supporting the PREPA Working Group
- Developed methodology and reviewed analysis to develop independent view on least cost generation options for evaluation of PREPA Transformation Plan

Nelson Ortiz (Associate)

- Conducted benchmarking analysis to develop perspective on operational efficiencies section of PREPA Transformation Plan
- Prepared materials for PREPA Working Group
- Drafted PREPA Board update on PREPA Transformation, including background and context on PREPA, goals and elements of the Transformation Plan, key decisions on privatization process and revisions to Transformation Plan
- Developed initial liquidity model for PREPA following hurricane Maria to assess impact on PREPA liquidity

Maria Bernier (Analyst)

- Refined analyses to develop independent view on least cost generation options for evaluation of PREPA Transformation Plan
- Drafted PREPA Board update on PREPA Transformation, including background and context on PREPA, goals and elements of the Transformation Plan, key decisions on privatization process; and key revisions to Transformation Plan including operational efficiencies, privatization, long-term maintenance, capital investment, and privatization
- Following Hurricane Maria, prepared infrastructure assessment for the Board - developed initial assessment of hurricane damages, guidance on Board response, benchmarking versus other storms, potential impact on fiscal plans and budgets

Alex Brihac (Associate)

- Following Hurricane Maria, prepared infrastructure assessment for the Board using benchmarking from other storms to determine potential hurricane cost estimate

Commonwealth Title III

August 2017

Scope of Services and Deliverables

In August 2017, the Commonwealth III team supported the FOMB across the following efforts:

- Preparation for and attendance at the Public Board Meeting on August 4, 2017
- Participation in and coordination of cross advisor meetings regarding Title III matters
- Preparation of materials and participation in full-day working session with mediation team, FOMB board members and other advisors on August 14, 2017
- Participation in deep dives session with the mediation team advisors related to the Fiscal Plan
- Preparation of materials, organization of and leadership of the 3-day creditor mediation meeting on August 29-31, 2017
- Collection of data and preparation of draft responses to certain mediation questions
- Assembly of data and participation in meetings with FOMB counsel and other advisors related to Fiscal Plan defense and other Title III litigation matters
- Participation in several cross-advisor meetings to assess liquidity performance and preparation of various ad-hoc analyses
- Preparation and delivery of regular progress reviews and reports regarding Commonwealth liquidity performance, strategic choices on liquidity reporting and various other ad-hoc analyses

Team Member Activity

Bertil Chappuis, Kevin Carmody and Ojas Shah led a working team for Commonwealth Title III with Alexey Sosnovskiy as full-time engagement manager and Mike Stack and Javier Valenzuela as full-time consultants.

Bertil Chappuis (Senior Partner)

- Participated in weekly/daily conversations with FOMB members, Executive Director and staff to evolve Title III strategy and approach
- Participated in weekly problem-solving sessions with the team to guide all work
- Participated in weekly advisor coordination meetings
- Participated in weekly Executive Board calls to review progress and advise on key decisions
- Reviewed and provided input for all team deliverables (in particular, mediation presentation materials and responses to creditor questions)
- Attended 3-day creditor mediation session on August 29-31, 2017 and provided daily guidance and advice to our team, client and other advisors
- Engaged in several individual discussions with outside stakeholders to understand and inform Board strategy and approach

Kevin Carmody (Senior Partner)

- Participated in cross advisor meetings regarding Title III matters
- Supported preparation effort and participated in calls with mediator and Government advisors regarding 3-day mediation meetings on August 29-31, 2017 with various creditor groups
- Reviewed and commented on draft response to mediation questions

Ojas Shah (Senior Vice President)

- Participated in weekly cross advisor meetings (FOMB and Commonwealth) regarding Title III related matters
- Led discussions in Board and Executive Director calls to regarding updates regarding Title III related matters and analyses
- Oversaw preparation of analysis of liquidity risks from Title III and other litigation with Board legal advisors

- Contributed to materials and participated in full-day working session with mediation team, FOMB board members and other advisors on August 14, 2017
- Participated in several meetings with Government advisors regarding fiscal plan model
- Reviewed and provided inputs to materials for and attend public FOMB board meeting on August 4, 2017
- Support preparation effort and participate in calls with mediator and Government advisors regarding 3-day mediation meetings on August 29-31, 2017 with various creditor groups
- Participated in meetings with various FOMB/Government advisors in support of various Fiscal Plan litigation preparation efforts
- Reviewed and commented on draft response to mediation questions

Alexey Sosnovskiy (Engagement Manager)

- Coordinated and participated in weekly cross advisor meetings (FOMB and Commonwealth) regarding Title III related matters, prepared agenda and tracked next steps and responsible parties
- Prepared materials and participated in Board and Executive Director calls to provide updates regarding Title III related matters and analyses
- Developed analysis of liquidity risks from Title III and other litigation with Board legal advisors
- Oversaw preparation of regular reports on liquidity performance and options for liquidity reporting
- Oversaw preparation of comments to and materials for the creditor August 14 mediation session on Fiscal Plan creation
- Oversaw development of August 29-31, 2017 mediation session presentation on Fiscal Plan details, including liquidity and reconciliation adjustment analyses materials, and coordinated mediation preparation work with other Board and government advisors (financial, pension, economic) and mediation team
- Conducted working sessions with Government and Board advisors to develop responses to creditor questions submitted prior to the August 29-31, 2017 mediation session
- Participated in August 29-31, 2017 mediation session and coordinated overall session organization

Javier Valenzuela (Associate)

- Prepared certain fiscal plan litigation support documents with input from team members, external advisors and newly available public information
- Developed content, reviewed drafts of and provided comments to the August 14, 2017 mediation presentation and script materials
- Prepared materials for and participated in meetings with Executive Director to provide update on Title III matters (mediation, fiscal plan litigation support)
- Prepared materials for August 4 public Board meeting
- Developed content for the August 29-31, 2017 mediation session presentation, including Fiscal Plan development timeline, principles and approach, macroeconomic background and assumptions and overview of fiscal cliffs; revised presentation based on input from experts, Board staff, external advisors and mediation team; coordinated logistics and attended mediation session
- Participated in working sessions with Government and Board advisors to develop responses to creditor questions submitted prior to the August 29-31, 2017 mediation session

Julien Truchon-Poliard (Associate)

- Created regular reports regarding Commonwealth liquidity performance, analyzed causes and implications of variances and developed next steps to improve liquidity reporting

Mike Stack (Associate)

- Developed agenda and outline for materials for the August 29-31, 2017 mediation session
- Reviewed and summarized prior creditor critiques and letters to address in mediation presentation materials
- Assisted with preparation of materials for August 29-31, 2017 mediation session, including collecting and incorporating feedback from experts and external advisors

Commonwealth Title III

September 2017

Scope of Services and Deliverables

In September 2017, the Commonwealth III team supported the FOMB across the following efforts:

- Participation in and coordination of cross advisor meetings regarding Title III matters
- Preparation of materials and participation in fiscal macro-economic assumptions mediation session on September 13, 2017
- Collection of data, preparation and coordination of collection of responses to follow-up Creditor questions from August 29-31, 2017 mediation session
- Assembly of data and preparation of analyses related to Fiscal Plan defense and other Title III litigation matters
- Review and development of inputs for fiscal plan scenario analyses requested by Counsel and prepared by other FOMB advisors
- Development of preliminary draft of post-hurricane liquidity needs assessment for the Commonwealth at the request of the FOMB
- Participation in several cross-advisor meetings to assess on-going liquidity performance and preparation various ad-hoc analyses
- Preparation and delivery of regular progress reviews and reports regarding Commonwealth liquidity performance, strategic choices on liquidity reporting and various other ad-hoc analyses

Team Member Activity

Bertil Chappuis, Kevin Carmody and Ojas Shah led a working team for Commonwealth Title III with Alexey Sosnovskiy as full-time engagement manager and Justin Reed, Javier Valenzuela, Julien Truchon-Poliard and Zarif Jamil as full-time consultants.

Bertil Chappuis (Senior Partner)

- Participated in weekly/daily conversations with Board members, Executive Director and staff to evolve Title III strategy and approach
- Participated in weekly problem-solving sessions with the team to guide all work
- Participated in weekly advisor coordination meetings
- Participated in weekly Executive Board calls to review progress and advise on key decisions
- Reviewed and provided input for all team deliverables (in particular all materials prepared for mediation session and creditor question responses)
- In aftermath of Hurricane Maria, led discussions with client and our teams to focus priorities of work to meet new fiscal and restructuring realities

Kevin Carmody (Senior Partner)

- Participated in cross advisor meetings regarding Title III matters
- Reviewed and commented on draft responses to mediation questions
- Reviewed and provided comments on fiscal plan scenario analyses requested by Counsel and prepared by other FOMB advisors, participated in cross-advisor meetings to refine the analysis

Ojas Shah (Senior Vice President)

- Participated in weekly cross advisor meetings (FOMB and Commonwealth) regarding Title III related matters
- Led discussions in Board and Executive Director calls to regarding updates regarding Title III related matters and analyses
- Participated in several meetings with Government advisors regarding early impacts to liquidity and fiscal plan from hurricanes
- Reviewed and commented on draft response to mediation questions
- Oversaw development and led discussions with Government advisors regarding FOMB perspectives of post-hurricane liquidity needs assessment for the Commonwealth, PREPA and PRASA
- Reviewed and provided inputs on fiscal plan scenario analyses requested by Counsel, participated in cross-advisor meetings to refine the analysis

Alexey Sosnovskiy (Engagement Manager)

- Prepared and coordinated collection of responses to follow-up Creditor questions from August 29-31, 2017 mediation session
- Coordinated planning, developed outline and content for the 9/13 mediation session on macroeconomic issues, jointly with FOMB and Government advisors
- Prepared ad-hoc analyses to support assessment of reconciliation of liquidity from Fiscal Plan to Liquidity Plan developed by Government advisors
- Coordinated and participated in weekly cross advisor meetings (Board and Commonwealth) regarding Title III related matters, prepared agenda and tracked next steps and responsible parties
- Prepared materials and participated in Board and Executive Director calls to provide updates regarding Title III related matters and analyses
- Organized and held cross-advisor coordination meetings to discuss impact of the Hurricane Maria on Title III process and the Commonwealth, develop and execute next steps
- Oversaw preparation of regular reports on liquidity performance and options for liquidity reporting
- Developed preliminary draft post-hurricane liquidity needs assessment for the Commonwealth, including identifying key components affected by the hurricane and their drivers, developing and validating hypotheses of impact to line items with experts, advisors and Board members and integrating disaster recovery analyses

Justin Reed (Senior Associate)

- Developed revised fiscal plan model integrating key support related to revenue, expense, and macro assumptions
- Supported the development preliminary draft post-hurricane liquidity needs assessment. Developed initial assumptions highlighting impact to key Commonwealth revenue and expense categories, and synthesized key takeaways and assumptions from financial analysis
- Supported the development of preliminary post-Maria disaster recovery financial projections including disaster recovery disbursements and federal reimbursement assumptions
- Participated in cross advisor coordination calls and meetings to assess impact of hurricane Maria on Commonwealth liquidity

Javier Valenzuela (Associate)

- Updated fiscal plan litigation support materials with August 29-31, 2017 mediation session presentation materials
- Coordinated collection and development of responses to creditor questions submitted before and during the August 29-31, 2017 creditor mediation sessions
- Developed outline and sections of presentation material for the September 13 mediation session on macroeconomic issues

Julien Truchon-Poliard (Associate)

- Worked with external advisors to collect and incorporate input to the materials for the September 13, 2017 mediation session on macroeconomic issues
- Collected and reconciled information regarding historical amounts and breakdown of clawback revenues for mediation
- Created regular reports regarding Commonwealth liquidity performance, analyzed causes and implications of variances and developed next steps to improve liquidity reporting

Zarif Jamil (Senior Business Analyst)

- Prepared responses to follow-up Creditor questions from August 29-31, 2017 mediation session and coordinated review and edits with FOMB legal advisors
- Supported the development preliminary draft post-hurricane liquidity needs assessment; collected data and research to support development of initial assumptions, and synthesized key takeaways and assumptions from ad-hoc financial analysis

EXHIBIT D

SUMMARY OF PROFESSIONALS

NAME OF PROFESSIONAL	TITLE
Kevin Carmody	Senior Partner
Bertil Chappuis	Senior Partner
Tyler Duvall	Partner
Ojas Shah	Senior Vice President
Aaron Bielenberg	Associate Partner
Andrew Mayock	Associate Partner
Scott Perl	Associate Partner
Amy Wagner	Senior Expert
Sarah Brody	Engagement Manager
Dylan McCall-Landry	Engagement Manager
Alexey Sosnovskiy	Engagement Manager
Justin Reed	Senior Associate
Kush Das	Associate
Corey Hopper	Associate
Jared Katseff	Associate
Nelson Ortiz	Associate
Mike Stack	Associate
Julien Truchon-Poliard	Associate
Javier Valenzuela	Associate
Zarif Jamil	Senior Business Analyst
Maria Bernier	Analyst